COUNTY OF LOS ANGELES
HEALTH CRISIS TASK FORCE
743 Kenneth Hahn Hall of Administration, Los Angeles, California 90012

July 24, 1995

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REPORT OF THE HEALTH CRISIS TASK FORCE

The Health Crisis Task Force has completed four weeks of intensive study of the budget crisis faced by the County's healthcare agencies and the Chief Administrative Officer's (CAO) June 25, 1995 proposal for the closure of the $655 million budget gap that precipitated the crisis. The CAO's major recommendations were to close the LAC+USC Medical Center, 19 health centers and four comprehensive health centers. After a careful consideration of the immediate effects of the CAO's recommendations on the County's health system, and the long-term benefits of restructuring the system, the Task Force developed an alternative option which is presented below.

CONCLUSIONS

The Task Force's deliberations have lead us to the following conclusions:

1. The current efforts of the County do not adequately meet the "safety net" health care needs of the population because of misdirected priorities (i.e., emphasis on inpatient instead of outpatient services) and because of a lack of funding.

2. The majority of County health care funding is only available by maintaining the most expensive elements of the healthcare system (e.g., inpatient services).

3. The County's role in providing for the protection of the public's health and the prevention of disease has not been given adequate priority.

4. The reduction of funding of $655 million will require drastic curtailments in essential services which will have devastating consequences on all residents of Los Angeles County.

5. The Task Force believes that if the County were to permanently eliminate the curtailed services under consideration, it would endanger all members of the population, create conditions of great societal unrest and potentially lead to a public health emergency.

6. Any plan for meeting this challenge needs to be tied to a long-term strategy for fundamentally restructuring the way that the Department of Health Services (DHS) functions and health care is delivered. If not, this exercise in crisis decision-making will be repeated over and over again, and needed reforms will not be implemented.

7. System cuts, should, to the maximum extent possible, be **REVERSIBLE**. This is particularly important because new ways to allow the County to preserve essential services are under active consideration in Washington, DC and Sacramento. Also, reports to the Task Force suggest that significant financial assistance and enhanced system flexibility may be available within a matter of weeks or months.

8. Closure of any of the County trauma center hospitals, (LAC+USC Medical Center, Harbor/UCLA, or MLK/Drew) would be DIFFICULT IF NOT IMPOSSIBLE TO REVERSE. (CAO-Option A or B).

REVIEW OF CAO PROPOSAL

After carefully reviewing the CAO's Option A, the Task Force concludes that a plan premised on the closure of LAC+USC Medical Center is not the best way to close the budget gap. The CAO testified before the Task Force that the preservation of the trauma network was a key consideration in her recommendation. There is a strong consensus that the capability to care for patients who are injured or who have acute, life threatening medical or surgical problems should be maintained. We believe that the closure of LAC+USC will almost certainly destroy this capability because of its key role in the County's trauma/911 response system. Its loss would put so much pressure on the remaining elements that the entire system would collapse.

The CAO also premised her recommendation on the estimated $1.2 billion cost for a new facility to replace LAC+USC, and her belief that the County could not afford to finance a project of that size in the coming years. The CAO's conclusion did not acknowledge ways in which the $1.2 billion construction cost could be reduced through the granting of FEMA funding, the design of a smaller facility with ambulatory services shifted to health centers in the community or the purchase or lease of existing underutilized hospitals in the region as a way of reducing the capital costs for a new facility. The CAO's recommendation also failed to acknowledge the vital role LAC+USC plays in providing care for the uninsured in this geographic portion of the community with the largest unmet need in the County.

TASK FORCE PROPOSAL

The Task Force's proposal for consideration by the Board (Option C) is contained in the attached report. It reaches the goal of providing an alternative to the CAO's plan for the $655 million shortfall without permanently damaging the essential County health care infrastructure. However, these painful cuts will, in their own way, disrupt the delivery of health care services throughout Los Angeles County, severely damage the public and private health care system, potentially endanger the health of all residents of Los Angeles County and may even create conditions of great societal unrest.

The Task Force acknowledges that our proposal, by crippling the County's capacity to provide community-based ambulatory care, pushes the County system in exactly the wrong direction. At a time when every enlightened health care system is moving towards population based, preventive, outpatient strategies, the County would be losing its capacity to provide those exact services. There is reason to believe, however, that public/private partnerships can be developed which will keep at least some of these outpatient facilities open and that this crisis can be the impetus to restructure the delivery of ambulatory care in Los Angeles County.

Option C, however, as a response to the current crisis, has this very distinct advantage: IT IS REVERSIBLE. Some of the outpatient clinics slated for closure can be reopened or restructured through public/private partnerships. If the County's large trauma capacity were eliminated it would are almost certainly be gone forever. Option C is also driven by another factor that the County needs to address as part of its effort to move into the future of health care: federal Medicaid reimbursement policies which fund the majority of the system, are heavily targeted to inpatient care, and provide little financial incentive for outpatient care. Option C, based on the misguided inpatient incentive of federal law, is the best option to maximize County revenue during this period of budget crisis.

The key elements to our proposal are:

1. A total cost savings/revenue enhancement strategy equal to the CAO's June 25th proposal. We propose, in contrast to the CAO, a bridge financing mechanism which will allow the County to maintain some services which would otherwise be closed, based on funding which we believe the County has a high probability of obtaining.

2. If the expected "bridge financing" does not materialize within 90 days, the Board must close additional hospitals.

3. Major budget reductions at all County hospitals to be taken primarily from ambulatory services. Distribution of the costs within each institution should be the responsibility of the administration at each hospital.

4. Closure of the inpatient services of High Desert Hospital.

5. Privatization of the activities of Rancho Los Amigos.

6. Closure of all comprehensive health centers and their urgent care units, and 29 of the 39 health centers if there are not acceptable revenues to offset these operations. These closures should be delayed for 30-60 days to allow time for public/private partnerships to be formed at an acceptable cost to the County. Routine hearings, notices, and other actions of the County should occur during this period of time.

7. Retain 10 health centers and create five hospital sites to provide core public health functions.

Other recommendations include:

1. The County should aggressively pursue a Medicaid Demonstration Waiver under Section 1115 which would allow the County to free itself from current federal and state restrictions and to move Disproportionate Share dollars from inpatient to outpatient services. The County's inability to fund ambulatory services during this budget crisis underscores the need for such a waiver. A Section 1115 wavier, which is being actively studied by the Clinton Administration, would allow Los Angeles County to become a national laboratory for health care reform, ultimately restore much of its ambulatory care capacity and pursue the fundamental restructuring which is critical if future budget crises of this sort are to be avoided.

2. The Board should immediately appoint a Health Services Czar from outside of the Department for this fiscal year. The individual should be delegated extraordinary authority to pursue one clear mission: cut through the red tape and make the public-private partnerships, and other restructuring needed to restore the County's capacity to perform its mission, a reality. The Czar would also be responsible for spearheading the County's effort to secure a Medicaid Section 1115 Waiver.

3. The Board should constitute a Health Authority run by recognized health policy experts to guide implementation of its broad health care policies. The Director of the DHS should report to the Authority with the Department having the ability to operate as a semi-autonomous organization responsible to the Board of Supervisors, but able to function independently based on agreed upon guidelines

4. The health care system and its funding mechanism needs to be restructured. This includes codifying the appropriate roles and responsibilities of the County and its Health Department in protecting, maintaining and improving the health of all the residents of Los Angeles County.

5. Establish a formal mechanism to develop a new, collaborative paradigm between the three medical schools and the County in development of a population-based healthcare system.

All the options before you will inflict extreme pain on this community. None represent a "solution" that the Board can unilaterally implement and consider the crisis resolved. We sincerely believe that our Option C represents the best hope for the Board to pursue a strategy that ultimately gives the County the capacity to fulfill its responsibility to the community as the safety net for the uninsured and the protector of the public health.

We thank the Board for the confidence you expressed in us by appointing us to this important Task Force during this period of extreme crisis. We look forward to receiving your response to our report.

Sincerely,

Burt Margolin, Chairman

Thomas J. Collins, Ed.D

Jane G. Pisano

Raymond G. Schultze, M.D.

J. Duffy Watson

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Director of Health Services

HEALTH CRISIS TASK FORCE
743 Kenneth Hahn Hall of Administration, Los Angeles, California 90012

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Health Crisis Task Force Report
July 24, 1995

I. Task Force Mission

- Develop a plan consistent with the fundamental County mission to protect, maintain, and improve the health of the community.
  - The public health function must be maintained.
  - The safety net function which assures access to care for the medically uninsured must not be abandoned.

II. Board of Supervisors Request

- Evaluate the CAO's proposal to close the $655 million gap in the DHS budget.
- Examine any and all alternative means of closing the budget gap including spending cuts and new revenues.

III. Task Force Strategy

Our Task Force applied the following principles throughout our process:

- Any plan to close the $655 million gap cannot be sustained permanently without a fundamental overhaul of the DHS function and structure.
- Our plan will maximize the potential to reverse closures and rebuild system components damaged by cuts at the $655 million level.
- Any action recommended must:
  - Support the County mission.
  - Preserve the essential components of the EMS/trauma system.
  - Maximize existing revenues to ensure adequate financing including bridge financing which will allow the system to survive during a sensible reform process.
  - Preserve the essential infrastructure needed to build a health system for the future.

Task Force Process:

- Hold public meetings to discuss the following:
  - DHS services and budget
  - Operation of the trauma/911 response system
  - Community and organizational views of the trauma system
  - Potential for public/private partnerships
  - Role of HMOs, private foundations, and private hospitals
  - Role of the medical schools affiliated with County hospitals

  - View of the unions
  - View of residents and interns
- Evaluate the CAO's proposal within the context of the Task Force Principles.
- Recommend options which provide a basis for sensible, long term reform.

IV. Problem Definition

The current massive deficit is structural.

- The need for health services continues to increase with the growing uninsured population, while revenues, derived primarily from the State and Federal governments, continue to decline.
- The current County health system is substantially underfunded and cannot fully meet the needs of that portion of the 2.6 million medically uninsured and 1.8 million Medi-Cal beneficiaries.
- Federal revenue is driven by reimbursement for inpatient care, leading to a perverse incentive to underdevelop community-based primary care and preventive services.

No means exist to close the $655 million budget gap without potentially disastrous consequences. All plans have these common dangers:

- The County's fulfillment of its obligation to assure access to health care by the medically indigent will be jeopardized.
- County facilities remaining open will be pushed to the point of collapse.
- Private hospital emergency rooms will be flooded with patients who no longer have access to County ambulatory care facilities in their own community.
- The trauma/911 system will be at risk of being overwhelmed.
- Public health services will be reduced to levels that endanger the population.

V. CAO Plan Assessment

The Task Force has concluded that the CAO Recommendation of June 25 (Option A) creates irreversible damage to the County health care system.

- Closure of LAC+USC Medical Center will destroy the County trauma system and imperil the critical care system.
  - Based on the report presented to the Task Force by the Director of Emergency Medical Services, the LAC+USC Medical Center is the backbone of the County's 911 and trauma hospital system, and closing LAC+USC will put the system into a man-made disaster mode.
  - 27% of all trauma patients in LA County are treated at LAC+USC Medical Center.
  - The private sector has the capacity to absorb some but cannot absorb all of this volume if diverted from LAC+USC.
- Inpatient indigent patients will need to go elsewhere.
  - Absorbing the indigent volume will stress private hospitals to the financial breaking point.
  - According to the DHS analysis, the private sector expressed a willingness to absorb 69,600 inpatient days from LAC+USC Medical Center, leaving a 302,700 day service gap.

- The migration of indigent patients from County outpatient services will overwhelm private hospitals.
  - The County population with greatest need and least access will be impacted most.
  - According to the DHS analysis, the private sector expressed a willingness to absorb 304,800 outpatient visits from LAC+USC Medical Center, leaving a 566,500 visit service gap.
- The true cost and feasibility of closure plans have been underestimated.
  - Once closure is enacted, it cannot be reversed if funding for system reform is later obtained, as these critical resources cannot be relicensed.
  - A large number of the medically indigent and working poor population will be without medical care from any source.
  - County counsel has indicated that the contractual closure cost will have a greater negative impact due to legal costs associated with closure.
- The CAO recommendation of closure of LAC+USC Medical Center based largely on the $1.2 billion rebuild cost is premature.
  - Definitive advice from consultants has been requested (Harvey Rose Report), and the Board should not act until this report is reviewed.
  - In the judgment of the Task Force, a smaller size or purchase/lease option can be explored to reduce capital cost.
  - FEMA funding is a real possibility for medical center construction.

VI. Task Force Proposal

The Task Force concluded that no budget reduction plan set at $655 million could be devised that would not have a devastating impact on the system. The proposal that we devised, in our opinion, meets the critical criteria established in our Task Force principles. In particular, the need for REVERSIBILITY of closures has been met.

The July 25 (Option C) Task Force proposal:

- Leaves the essential framework of County hospitals in place which will allow the County to rebuild the system when new revenues are identified.
- Closes the budget gap while maintaining the most critical emergency and trauma services.
- Maximizes revenue generation through maintenance of the inpatient hospital function.
  - Revenues provide bridge financing for sensible reform.
  - This action underscores the critical need for reform of the current reimbursement system which emphasizes inpatient care at the expense of ambulatory care. It also highlights the need for the County to receive a Medicaid Demonstration Waiver which would enable it to build an improved outpatient system.

Restructuring Recommendations

Hospital Curtailments:

- Keep major facilities "open" with significant reductions, primarily in ambulatory services.
  - LAC+USC Medical Center, Harbor/UCLA Medical Center, Olive View Medical Center, and Martin Luther King/Drew Medical Center remain operational.

  - All facilities sustain cuts to their operating budget at a rate of at least 75% of the ambulatory services budget to be distributed throughout the facility but primarily impacting ambulatory services.
  - Individual hospitals will be given the discretion to apportion their allocated budget in the most optimal combination of inpatient and outpatient services.
- Reconfigure High Desert from an inpatient acute care and skilled nursing facility to a provider of outpatient services to the community.
- Expedite privatization of Rancho Los Amigos Hospital.

These hospital curtailments:
- Retain functional hospitals which are mission critical and vital in order for the County to continue to assure safety net service to the community.
- Maintain intact the three trauma centers which are critical to the 911 response system.
- Maximize critical revenues to provide bridge financing.

However, the curtailments will:
- Significantly reduce the level of ambulatory services provided in these hospitals.
- According to DHS estimates, a service gap of 1.4 million visits for outpatient services which will not be absorbed by the private sector will result.

Comprehensive Health Center and Health Center Closures:
- Close of all County Comprehensive Health Centers and Health Centers with the exception of the ten facilities essential to maintaining the public health mission.

We anticipate that these closures will:
- Trigger the development of private/public and public/public partnerships between the DHS and other organizations to restore as much ambulatory and urgent care as possible in the short term.
- Be reversible should the County obtain additional revenues or bridge financing. Any additional revenue should be used immediately to accomplish the reopening of the most critical facilities. Reopening the Comprehensive Health Centers should be a priority.

However, this action will:
- Result in immediate flooding of private clinics and emergency rooms with individuals who can no longer seek care in County facilities.

Mental Health Reconfiguration:
- Reassign the authority for provision of mental health inpatient and outpatient services to the Department of Mental Health as payor using a combination of DHS emergency services and community providers for the balance of services.

Health Services Administration Cuts:
- Sustains a 50% overall budget reduction, 20% directly and the remainder throughout County facilities.

Public Health Services Reduction:

- Services essential to maintaining the County mission including critical outpatient facilities are retained with a budget reduction of 13%.

Implementation Plan

To minimize the impact of the immediate cuts and maximize the prospects for long term reform, the Task Force strongly recommends that the Board of Supervisors:

- **Impose a 30 to 60-day delay on closure of the Comprehensive Health Centers and Health Clinics to enable private/public partnerships to form.**

- **Aggressively pursue a Medicaid Demonstration Waiver under Section 1115 which will allow the County to become a national laboratory for health care reform and provide for better funding of ambulatory services.**

- **Immediately begin the process of fundamentally restructuring the public delivery system by codifying the appropriate roles and responsibilities of the County.**

- **Immediately appoint a Health Services Czar from outside of the Department for the remainder of the budget year who is empowered to:**
  - Ensure implementation of the proposed budget reductions and public delivery system restructuring.
  - Ensure the development of private/public partnerships which result in reopening of clinics and health centers and increased access to care for the medically indigent population.
  - Aggressively pursue the Medicaid Demonstration Waiver under Section 1115 which will reverse the current backward incentives of federal health care financing.

- **Apply any new revenues to rebuilding outpatient services under the new management structure by retaining or reopening**
  1. Comprehensive Health Centers
  2. Health Clinics
  3. Ambulatory services in Hospitals

- **Allow 90 days to determine whether bridge financing will be obtained. If not, the Board of Supervisors should move immediately to a hospital closure decision.**

- **Place DHS under the direction of a Health Authority**
  - Composed of recognized experts in health policy and appointed by the Board.
  - Providing the essential link between the DHS and the Board of Supervisors and reporting directly to the Board on budget and strategic planning issues.

- **Establish a formal mechansim to develop a new, collaborative paradigm between the three medical schools and the County in development of a population-based healthcare system.**

- **Formally pursue revenue enhancement opportunities in addition to those already being considered by the Board such as:**
  - Federally Qualified Health Centers
  - Self-insurance of healthcare for County employees
  - Private philanthropy: including the Blue Cross Foundation and others
  - Elimination of State rake-off of Intergovernmental Transfers.
  - Reform the Disproportionate Share Program. It currently does not require that private hospitals receiving these funds see indigent patients, thus these funds are not being used in the same fashion as they are within the LA County system.
  - Management efficiencies suggested by private consultants (see Exhibit 1).

- **Enter into immediate negotiations with the various organizations who presented opportunities in testimony for the development of public/private partnerships to assist the County in providing care or raising County revenue.**

- **Empower the public health function within DHS to monitor and assess the impact of these Option C cuts and report the findings back to the Board of Supervisors in 90 days.**

Exhibit 1

Suggestions From Private Consultants

We heard testimony and received correspondence from the following consultants. Their proposed services are far ranging and such consultants believe that there are substantial amounts of savings available to the County. We did not attempt to determine whether such services and related savings are realistic. However, we suggest that DHS talk to such consultants and determine if their services would be appropriate for the current situation.

Consultant	Nature of Service
APM Incorporated One Bush Street, Suite 400 San Francisco, CA 94104	-- Management Restructuring -- Purchased Goods and Services -- Ancillary Redesign
Andersen Consulting LLP 633 West 5th Street Suite 2700 Los Angeles, CA 90071	-- Accounts Receivable Management
Deloitte & Touche LLP 1010 Grand Avenue Kansas City, Missouri 64106	-- Revenue Recovery Assessment Services
S.K. Ching & Associates 24446 Park Granada Calabasas, CA 91302	-- Supplies and Services Management
D.H. Harris Associates, Inc. 8811 Burton Way Suite 210 Los Angeles, CA 90048	-- Local Initiative Implementation Consultation

HEALTH CRISIS TASK FORCE
ANALYSIS OF BUDGET SHORTFALL OPTIONS
FISCAL YEAR 1995–96
($ in Millions)

	CAO Option A	Task Force Option C
CAO Proposed Budget Shortfall	$655.5	$655.5
Less: Non Program Adjustments	(139.1)	(116.1) *
Proposed Service Reductions	(516.4)	(348.0)
Amount to be Financed with Bridge Financing	0.0	191.4
Add: Additional One–Time Costs	328.2	136.2
Total Budget Shortfall	$328.2	$327.6
Potential Revenue Solutions	$354.2	$362.1

* NOTE: Includes $35.0 million of SB 1255, $10.0 million of SB 493, and $11.0 million of SB 486 funds not considered by CAO.

SOURCE: DHS

HEALTH CRISIS TASK FORCE
PROPOSED BUDGETARY SHORTFALL SOLUTION
FISCAL YEAR 1995–96
($ in Millions)

Non Program Adjustments

	CAO Option A	Task Force Option C
CAO Proposed		
–Transfer Excess CHP Trust Reserves	$ (5.8)	$ (5.8)
–Increase Revenue from Juvenile Court Health Services	(1.9)	(1.9)
–FY 94–95 Operating Surplus	(11.0)	(11.0)
–20% HSA Reduction	(8.7)	(8.7)
–Consolidate Laboratory Services	(3.0)	(3.0)
–Implement Pharmacy Formulary Savings	(3.5)	(3.5)
–Delay Opening of MLK/D Trauma Center	(3.3)	(3.3)
–Eliminate Specified Medical School Support in Northeast	(3.2)	(3.2)
–Institute a $5 Copay	(5.0)	–
–Reduce State MAC Fee	(6.2)	–
–Reduce Administration in Personal Health by 20 Percent	(8.0)	–
–Defer Development of Patient Identification System	(7.6)	–
–Reduce Safety Police	(7.0)	–
–Reduce Departmental Equipment Expense	(9.2)	–
–Reduce Facilities Implementation Team Staffing	(1.8)	–
–Reduce Health Services Administration	(28.0)	–
–Reduce Services and Supplies Appropriation	(25.9)	–
Total CAO Proposed	(139.1)	(40.4)
New Information		
–Additional FY 94–95 Realignment Funds	–	($7.0)
–Increased FY 94–95 SB 1255 Funds	–	(35.0)
–Additional FY 94–95 SLIAG Funds	–	(12.7)
Total New Information	0.0	(54.7)
New Legislation		
–SB 493 – Increased FY 95–96 Tobacco Tax Funds	–	($10.0)
–SB 486 – Distribution By State of SB 855 Interest	–	(11.0)
Total New Legislation	0.0	(21.0)
Total Non Program Adjustments	$ (139.1)	$ (116.1)

HEALTH CRISIS TASK FORCE
PROPOSED BUDGETARY SHORTFALL SOLUTION
FISCAL YEAR 1995–96
($ in Millions)

Proposed Service Reductions

	CAO Option A	Task Force Option C
Divest LAC+USC Medical Center	$ (310.4)	–
Reconfigure HD	–	$ (35.6)
Eliminate Urgent Care at Comp. Health Centers	(9.4)	–
Divest all Comprehensive Health Centers	–	(59.7)
Divest 4 Comprehensive Health Centers	(25.5)	–
Divest 29 Health Centers	–	(41.5)
Divest 25 Health Centers	(20.6)	–
Reduce Mental Health Services	–	(38.0)
Eliminate Mental Health Services	(54.3)	–
Subtotal	(420.2)	(174.8)
Reduce Ambulatory Care Services:		
– LAC+USC	–	($56.4)
– H/UCLA	–	(14.2)
– MLK/D	–	(20.6)
– RLA	–	(6.6)
– OV/UCLA	–	(13.6)
Total Ambulatory Care Reduction	0.0	(111.4)
Reduce Specified Hospital Outpatient Services	(74.3)	–
Reduce RLA's NCC by 50 percent (after Amb. Care Reduction)	–	(47.7)
Reduce Public Health by 13 percent:		
– Reduce Public Health Administration	(1.8)	(1.8)
– Reduce Community Contract & NCC in AIDS Pgm.	(5.8)	(2.2)
– Reduce Administration in AIDS Program	(0.2)	(0.2)
– Reduce Medical Treatment Allocation in CCS	(3.5)	(3.5)
– Eliminate Board Approved Augmentations in Family Planning, Prenatal Care, TB & Immunization	(2.4)	(2.4)
– Eliminate Child Abuse Prevention Program	(0.2)	–
– Eliminate Toxic Epidemiology Unit	(0.1)	–
– Reduce Vital Records District Services	(0.1)	–
– Reduce STD Custody & Congenital Syphilis Sections	(0.4)	(0.1)
– Eliminate Branch Public Health Laboratories	(1.1)	(1.1)
– Eliminate Public Health Rabies Control Program	(1.1)	(1.1)
– Eliminate Adult Health & Outreach Program	(1.0)	(1.0)
– Reduce STD Clinic Services	(1.2)	–
– Reduce TB Clinic Services	(1.7)	–
– Eliminate Health Education Program	(0.8)	(0.3)
– Eliminate Nutritional Program	(0.4)	(0.4)
– Eliminate Animal Necropsies Program	(0.1)	–
Total 13 percent Reduction	(21.9)	(14.1)
Total Proposed Service Reductions	$ (516.4)	$ (348.0)

HEALTH CRISIS TASK FORCE
PROPOSED BUDGETARY SHORTFALL SOLUTION
FISCAL YEAR 1995–96
($ in Millions)

Additional One–Time Costs

	CAO Option A	Task Force Option C
Bond Anticipation Notes (BAN's) Defeasance	$135.1	$34.4
Layoff/Payoff Reserve	45.7	21.8
Implementation Delay	147.4	80.0
Total Additional One–Time Costs	$328.2	$136.2

HEALTH CRISIS TASK FORCE
PROPOSED BUDGETARY SHORTFALL SOLUTION
FISCAL YEAR 1995–96
($ in Millions)

Potential Revenue Solutions

	CAO Option A	Task Force Option C
Pending MAC Claims Available	$ (288.6)	$ (286.1)
Increased SB 1255 Participation	(65.6)	(35.0)
Updated SB 855 Projection	–	(41.0)
Total Potential Revenue Solutions	$ (354.2)	$ (362.1)